In the Official Action mailed on **15 October 2007**, the Examiner reviewed claims 1-30. Claims 1-14 were rejected under 35 U.S.C. § 101. Claim 27 was objected to. Claims 3, 12-14, 28, and 29 were rejected to under 35 U.S.C. § 112. Claims 1-3, 6-10, 12-14, 23, and 25-30 were rejected under 35 U.S.C. § 102(e) based on LaMotta et al. (US Pub. No. 2003/0126018 hereinafter "LaMotta"). Claims 4, 5, 15, 17-19, 21, 22 and 24 were rejected under 35 U.S.C. § 103(a) based on LaMotta, and Dang et al. (US Pub. No. 2005/0119955 hereinafter "Dang"). Claim 11 was rejected under 35 U.S.C. § 103(a) based on LaMotta, and George (USPN 5,946,668 hereinafter "George"). Claims 16 and 20 were rejected under 35 U.S.C. § 103(a) based on LaMotta, Dang and Sullivan (US Pub. No. 2003/0093320 hereinafter "Sullivan").

Claim Objections

Examiner objected to claim 27 because a redundant "and" is present. Accordingly, Applicant has removed the redundant "and" from claim 27.

Rejections under 35 U.S.C. § 112

Examiner rejected claims 3, 12-14, 28, and 29 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Specifically, it was unclear to the Examiner to what the recitation of "a tax rules navigator" in line 1 of claim 3 refers and that the limitation "the tax administrator manager" in line 3 of claim 3 lacks sufficient antecedent basis. Accordingly, Applicant has amended claim 3 so that it now refers to the proper claim and makes clear that "a tax rules navigator" does not refer to claim 2 and so that "the tax administrator manager" has been changed to "a tax administrator

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manager." Furthermore, Examiner pointed out that the recitation of "any tax services component" is unclear. Accordingly, Applicant has amended claim 3 to clarify that the tax rules navigator that can be used by processes of "a given tax service."

Examiner stated that the limitation "the amount" in line 2 of claim 12 lacks sufficient antecedent basis. Accordingly, Applicant has amended this claim so that the limitation "the amount" now reads "an amount."

Examiner stated that the limitation "the settlement amount" in line 3 of claim 13 lacks sufficient antecedent basis. Accordingly, Applicant has amended this claim so that the limitation "the settlement amount" now reads "a settlement amount."

Examiner stated that the limitations "the facility" and "the record repository" in lines 2 and 3 of claim 14 lack sufficient antecedent basis. Accordingly, Applicant has amended claim 14 so that the "the facility" now reads "a facility" and "the record repository" now reads "a record repository."

Examiner stated that the scope of the recited limitation "any local jurisdiction" in line 4 of claim 28 is unclear. Accordingly, Applicant has amended claim 28 so that "any local jurisdiction" now reads "a given local jurisdiction."

Examiner stated that the scope of the recited limitation "any process" in line 2 of claim 29 is unclear. Accordingly, Applicant has amended claim 28 so that "any process" now reads "a given process."

Rejections under 35 U.S.C. § 101

Examiner rejected claims 1-14 as being directed towards non-statutory subject matter. Specifically, Examiner avers that claim 1 recites a "tax knowledge base," a tax rule base," and a "tax determination manager," which do not appear to be statically embodied in a physical medium.

Accordingly, Applicant has amended claim 1 to clarify that claim 1 is directed towards statutory subject matter adding that the "tax knowledge base," a tax rule base," and the "tax determination manager" are embodied in a computer system. Support for this amendment is found in instant application, paragraphs [0032]-[0039].

Rejections under 35 U.S.C. § 102(e)

Examiner rejected claims 1-3, 6-10, 12-14, 23, and 25-30 as being anticipated by LaMotta. Applicant respectfully disagrees. LaMotta does **not** disclose a system with **both** a tax **knowledge base** of local jurisdiction tax rate data **and a tax rule base** of local jurisdiction rules.

In the Office Action mailed on 15 October 2007, Examiner avers that LaMotta discloses (see LaMotta abstract, paragraph. 14, and Fig. 27) a limitation that is equivalent to the **tax knowledge base** as disclosed in the instant application. Furthermore, Examiner avers that LaMotta discloses (see LaMotta abstract, paragraph 14, and Fig. 28) a limitation that is equivalent to the **tax rule base** as disclosed in the instant application.

Applicant points out that LaMotta Fig. 27 is a **geographic model**, which contains information about the geographical boundaries of various jurisdictions associated with different tax regimes (see LaMotta paragraph. 208) and is **not** a **tax knowledge base** which includes tax data as disclosed in the instant application.

Furthermore, although LaMotta Fig. 28 discloses local tax rate data for a given tax district (see LaMotta paragraphs. 210-214), LaMotta does not disclose a **tax rule base** of *local jurisdictional rules*. The **tax rule base** disclosed in the instant application can, for example, be used to "determine that a reduced rate applies for the local sales tax" (see instant application, P13:L16-17). Since LaMotta does not disclose a tax rule base which includes rules for applying taxes

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in local jurisdictions, it cannot reach such a determination. Note that the **tax knowledge base** in embodiments of the present invention contain data about tax rates, but not rules about what taxes are or are not applicable and how to apply the taxes within the a given local jurisdiction. Moreover, in LaMotta, only a single fixed rule applies: sales tax based on seller's and buyer's ship-to address (see LaMotta, par [0013]). Hence, LaMotta cannot determine whether the tax rate for a given tax district should be applied for a particular transaction. For example, some tax districts do not tax groceries while other tax districts tax groceries. The system of LaMotta cannot handle these situations because LaMotta does not disclose a tax rule base which includes rules on how to apply the tax rate data for local jurisdictions.

Accordingly, Applicant has amended independent claims 1, 15, 19, and 23 to clarify that the **tax knowledge base** provides **tax rate** data and a tax rule base which includes **one or more rules** for applying taxes in local jurisdictions. This amendment finds support in instant application, P13: L15-16, and paragraphs 55-60.

Hence, Applicant respectfully submits that independent claims 1, 15, 19, and 23 as presently amended are in condition for allowance. Applicant also submits that claims 2-14, which depend upon claim 1, claims 16-18, which depend upon claim 15, claims 20-22, which depend upon claim 19, and claims 24-28, which depend upon claim 23, are for the same reasons in condition for allowance and for reasons of the unique combinations recited in such claims.

CONCLUSION

It is submitted that the present application is presently in form for allowance. Such action is respectfully requested.

Respectfully submitted,

By   /Gilbert Wong/
                Gilbert Wong
                Registration No. 57,990

Date: 15 January 2008

Gilbert Wong
PARK, VAUGHAN & FLEMING LLP
2820 Fifth Street
Davis, CA 95618-7759
Tel: (530) 204-4040
Fax: (530) 759-1665
Email: gilbert@parklegal.com